

Chuck Grassley
S.L.C.

AMENDMENT NO. _____ Calendar No. _____

Purpose: To amend title XVIII of the Social Security Act to ensure Medicare beneficiary access to physicians, eliminate sweetheart deals for frontier States, and ensure equitable reimbursement under the Medicare program for all rural states.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

H. R. 4872

	AMENDMENT NO 3569	
To p	By <u>GRASSLEY</u>	the
c		2010
(To: <u>H.R. 4872</u>	
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Refe	Page(s)	and

GPO: 2008 45-603 (mac)

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by

Viz:

- 1 At the end of subtitle B of title I, insert the following:
- 2 **SEC. ____ . REVISIONS TO THE PRACTICE EXPENSE GEO-**
- 3 **GRAPHIC ADJUSTMENT UNDER THE MEDI-**
- 4 **CARE PHYSICIAN FEE SCHEDULE.**
- 5 Effective as if included in the enactment of the Pa-
- 6 tient Protection and Affordable Care Act, subparagraph
- 7 (H) of section 1848(e)(1) of the Social Security Act (42

1 U.S.C. 1395w-4(e)(1)), as added by section 3102(b) of
2 the Patient Protection and Affordable Care Act, is amend-
3 ed to read as follows:

4 “(H) PRACTICE EXPENSE GEOGRAPHIC
5 ADJUSTMENT FOR 2010 AND SUBSEQUENT
6 YEARS.—

7 “(i) FOR 2010.—Subject to clause (iii),
8 for services furnished during 2010, the em-
9 ployee wage and rent portions of the prac-
10 tice expense geographic index described in
11 subparagraph (A)(i) shall reflect $\frac{1}{2}$ of the
12 difference between the relative costs of em-
13 ployee wages and rents in each of the dif-
14 ferent fee schedule areas and the national
15 average of such employee wages and rents.

16 “(ii) FOR 2011.—Subject to clause
17 (iii), for services furnished during 2011,
18 the employee wage and rent portions of the
19 practice expense geographic index de-
20 scribed in subparagraph (A)(i) shall reflect
21 $\frac{1}{4}$ of the difference between the relative
22 costs of employee wages and rents in each
23 of the different fee schedule areas and the
24 national average of such employee wages
25 and rents.

“(iii) **HOLD HARMLESS.**—The practice expense portion of the geographic adjustment factor applied in a fee schedule area for services furnished in 2010 or 2011 shall not, as a result of the application of clause (i) or (ii), be reduced below the practice expense portion of the geographic adjustment factor under subparagraph (A)(i) (as calculated prior to the application of such clause (i) or (ii), respectively) for such area for such year.

“(iv) ANALYSIS.—The Secretary shall analyze current methods of establishing practice expense geographic adjustments under subparagraph (A)(i) and evaluate data that fairly and reliably establishes distinctions in the costs of operating a medical practice in the different fee schedule areas. Such analysis shall include an evaluation of the following:

“(I) The feasibility of using actual data or reliable survey data developed by medical organizations on the costs of operating a medical practice, including office rents and non-physi-

1 cian staff wages, in different fee
2 schedule areas.

3 “(II) The office expense portion
4 of the practice expense geographic ad-
5 justment described in subparagraph
6 (A)(i), including the extent to which
7 types of office expenses are deter-
8 mined in local markets instead of na-
9 tional markets.

10 “(III) The weights assigned to
11 each of the categories within the prac-
12 tice expense geographic adjustment
13 described in subparagraph (A)(i).

14 In conducting such analysis, the Secretary
15 shall not take into account any data that
16 is not actual or survey data.

17 “(v) REVISION FOR 2012 AND SUBSE-
18 QUENT YEARS.—As a result of the analysis
19 described in clause (iv), the Secretary
20 shall, not later than January 1, 2012,
21 make appropriate adjustments to the prac-
22 tice expense geographic adjustment de-
23 scribed in subparagraph (A)(i) to ensure
24 accurate geographic adjustments across fee
25 schedule areas, including—

1 “(I) basing the office rents com-
2 ponent and its weight on occupancy
3 costs only and making weighting
4 changes in other categories as appro-
5 priate;

6 “(II) ensuring that office ex-
7 penses that do not vary from region to
8 region be included in the ‘other’ office
9 expense category; and

10 “(III) considering a representa-
11 tive range of professional and non-
12 professional personnel employed in a
13 medical office based on the use of the
14 American Community Survey data or
15 other reliable data for wage adjust-
16 ments.

17 Such adjustments shall be made without
18 regard to adjustments made pursuant to
19 clauses (i) and (ii) and shall be made in a
20 budget neutral manner.

21 “(vi) SPECIAL RULE.—If the Sec-
22 retary does not complete the analysis de-
23 scribed in clause (iv) and make any adjust-
24 ments the Secretary determines appro-
25 priate for 2012 or a subsequent year under

1 clause (v), the Secretary shall apply clause
2 (ii) for services furnished during 2012 or a
3 subsequent year in the same manner as
4 such clause applied for services furnished
5 during 2011.”.

6 **SEC. ____ . ELIMINATION OF SWEETHEART DEAL THAT IN-**
7 **CREASES MEDICARE REIMBURSEMENT JUST**
8 **FOR FRONTIER STATES.**

9 Effective as if included in the enactment of the Pa-
10 tient Protection and Affordable Care Act, section 10324
11 of such Act (and the amendments made by such section)
12 is repealed.